

Jan Baker,
Vice-Chair

Curt Hugo,
Chair

Sue O'Halloran

Janine Ross

Paul Warr-King

Don West

Jerry Hinton,
Council Liaison

Karylinn Echols,
Council Liaison

Sharron Monohon,
Budget & Financial
Planning Director,
Staff Liaison

Kris Leibrand,
Recording Secretary

**CITY OF GRESHAM
FINANCE COMMITTEE**

WEDNESDAY, OCTOBER 21, 2015 7:00 P.M.

HR TRAINING ROOM

**GRESHAM CITY HALL, 1333 NW EASTMAN PKWY
GRESHAM, OREGON**

- | | |
|--------------------------------------|--------|
| 1. CONVENE MEETING | 1 MIN |
| 2. MINUTES OF SEPTEMBER 16, 2015 | 1 MIN |
| 3. PUBLIC COMMENT | 10 MIN |
| 4. COUNCIL COMPENSATION | 45 MIN |
| 5. FY 2015/16 SUPPLEMENTAL BUDGET #1 | 30 MIN |
| 6. COUNCIL WORK PLAN PROJECT UPDATES | 10 MIN |
| 7. COMMITTEE BUSINESS | 5 MIN |
| 8. GOOD OF THE ORDER | 5 MIN |

MEETING ADJOURNMENT

**Upcoming
Monthly Meeting**

**November 18,
2015**

The meeting location is wheelchair accessible. This information is available in large print upon request. To request large-print documents or for accommodations such as sign language, and/or oral interpreter, please call (503) 618-2697 at least two working days in advance of the meeting.

City of Gresham
Finance Committee
Wednesday, October 21, 2015
Executive Summary

4. Council Compensation

As a result of the May 19, 2015 passage of Ballot Measures 26-166 and 26-167, the Finance Committee shall provide oversight and control over the compensation of the Mayor and City Councilors. Committee discussion and public input regarding the methodology and process to be used in establishing compensation levels has been the primary focus of recent Finance Committee meetings.

The Finance Committee held a special meeting on October 7, 2015 to present their findings and to receive public input and comment. The Committee is expected to finalize the Mayor and Councilor compensation levels at this meeting.

Requested Action: Committee Decision

5. FY 2015/16 Supplemental Budget #1

Presented by Sharron Monohon, Budget & Financial Planning Director

This is the first requested adjustment to the FY 2015/16 budget. Following Finance Committee's review, the Supplemental Budget is scheduled to go before Council for adoption on November 17, 2015.

Requested Action: Recommendation to Council

6. Council Workplan Project Updates

Presented by Sharron Monohon, Budget & Financial Planning Director

Ms. Monohon will provide information on the status of Council Workplan projects and other key initiatives that are underway currently.

Requested Action: Information Only

Minutes
City of Gresham Finance Committee
Wednesday, September 16, 2015 7:00 p.m.
HR Training Room

Finance Committee Members Present:

Curt Hugo, Chair
Sue O'Halloran
Janine Ross
Paul Warr-King
Don West

Kris Leibrand (Recording Secretary)

Finance Committee Members Absent:

Jan Baker, Vice-Chair

Staff Members in Attendance:

Rachael Fuller, Assistant City Manager
Sharron Monohon, Budget & Financial Planning Director

1. Convene Meeting

Chair Hugo convened the meeting of the Gresham Finance Committee at 7:04 p.m.

2. Minutes of August 19, 2015

A motion was made by Ms. O'Halloran and seconded by Mr. West to:

“Approve the minutes for the August 19, 2015 Finance Committee meeting as submitted.”

MOTION CARRIED UNANIMOUSLY

3. Public Comment

Speaker 1: Jack Ardner and Dick Strathern described a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. They provided a handout with a summary of their analysis, a copy of which is attached to these minutes as Attachment A.

Mr. Strathern reviewed the Strengths and Weaknesses sections of the handout, and Mr. Ardner reviewed the Opportunities and Threats sections of the handout.

Regarding number 3 under the Opportunities section, Mr. Warr-King asked what was meant by “incentivizing our elected officials’ performance.”

Mr. Strathern said if the elected officials could get more involved with influencing the state leadership on proposals that our local Council doesn’t have control over, and if they were able to make a breakthrough, because we are the fourth largest city in Oregon they might make the difference in making these things happen. He said we think if our elected officials are instrumental in making these things happen, there ought to be a pay mechanism where they could be rewarded by their efforts.

Chair Hugo reminded everyone that the ballot that was adopted allows the Finance Committee oversight and control over the compensation of the Mayor and Council and not over their performance and job description.

Mr. Strathern replied that if you look at your Finance Committee rules, the Committee gets engaged in how to improve performance. He said if you put the two together there is an open door, so don’t be afraid to push through it.

Chair Hugo thanked them for their input.

Speaker 2: Carol Rulla thanked the Committee for the opportunity to speak and for the time spent on the process. She suggested a good starting salary for the Mayor would in the \$22,000 – \$27,000 range. She encouraged the Committee to allow a small stipend for the Council President, as they have more responsibilities. She recommends monitoring the hours spent on their work by the Councilors & Mayor. She encouraged the Committee to have a separate town hall prior to finalization and approval of the salary decision.

In response to a question about the timing of the next steps, including the town hall and the supplemental budget process, Chair Hugo said in the City Charter the City Council and the Mayor are specifically prohibited from setting their compensation. The Finance Committee will not be taking a recommendation to Council for approval; once the Committee reaches their decision it becomes official. He said there will be a supplemental budget that goes to Council for approval and one of the items in the supplemental budget will be the appropriation of the funds for the compensation. Council does not have any control over compensation itself. The supplemental budget only establishes the appropriation for the salary, along with other budget items.

Speaker 3: Sue Ruonala agreed that it is very important to have a public forum. She suggested that the announcement for the public forum be included in the Outlook, Oregonian, and NextDoor. She said the ballot measure wording was vague and citizens might be surprised at what the salary compensation ends up being. She said she hopes the salary amounts would be set prior to a town hall to allow people to weigh in on the decision and have time to consider what

they will say. She thinks people will be concerned about how the compensation will impact the budget.

Speaker 4: Julie Smith said to a lot of citizens the word “compensation” in the ballot measure probably meant just salary. She said it is important to come up with a salary figure first and then the other compensation. She said it would be nice if the salary amount was lower than the cap so there would be room to increase in the future. She agrees with the other comments about having a town hall to give the citizens an opportunity to learn more and give feedback.

Chair Hugo said he agrees that it is important to get the feedback from the community. He said the Committee has had six months for the public for them to give input. Ms. Smith said she doesn’t think that the Finance Committee meeting announcements are well publicized.

Speaker 5: Marlene Byrne agrees that a process and a procedure needs to be developed to explain to the voters why and how the Finance Committee came up with the salary amounts and compensation. She said it is important to have an educated citizenry.

Chair Hugo said he agrees that the explanation of the process is important and a file has been created to document everything as the discussions have proceeded.

4. Council Compensation Discussion

Ms. Monohon provided a handout (attached to these minutes as Attachment B) showing a summary of the Committee discussion to date and the potential maximum cost for the Councilor and Mayor positions. She explained the handout to the Committee members. She said at one point the Committee talked about paying 50% of a single person coverage, but there was also discussion about treating these positions the same way we treat part-time employees, which is 50% of the coverage for whichever tier of coverage the employee selects. She said we need clarification on which coverage level the Committee intended.

Chair Hugo asked if the amount listed on the handout (Attachment B) under Health, Dental & Vision (\$11,992) is 50% of the full family coverage or single coverage.

Ms. Monohon replied that it is the amount for full family coverage, and clarified that the amount for 50% of the single coverage is approximately \$4,180.

Ms. Monohon asked for clarification on the amount that the City will pay towards health, dental and vision coverage. After some discussion, the Committee decided **the City will pay 50% of the single person rate only.**

Ms. O’Halloran said she wanted to address the ballot measure language for the record. She said the ballot measure language is very clear that the oversight and control language is directly related to compensation. She said that clearly is what citizens saw and what citizens voted on. She said whatever policies the Finance Committee may currently operate under can change at

any time. She said once citizens have adopted a measure, that measure overrides anything that might currently be in policy at the City. She said she wants to affirm we appreciate the comments by citizens, but that the overriding rule of law is the citizens' vote. She said as a Committee, we are not really able to respond to citizen suggestions that we look at the performance expectations of our elected officials.

Mr. Warr-King said Ms. Smith had a good comment when she said a town hall gives the citizens the opportunity to give their input. He also commented that pay-for-performance is very hard to do in a government setting.

Chair Hugo said the voters put the Finance Committee in charge of making these compensation decisions, and some of the things that have come up in this meeting have to do with changing the role of the Mayor and Council, which is outside of the role of this committee, and are changes that would have to be made to the City Charter.

Ms. O'Halloran said she did some research on compensation of individuals who have a degree of authority and an opportunity to help set policy. Based on her research and the information provided at previous meetings, she suggests a salary somewhere around \$26,000-28,000 for the Mayor is a good place to start and the salary for the Councilors should be around \$14,000-\$15,000.

Chair Hugo said now that we have some figures on the table to work with, we need to decide if we will set a hard dollar figure or use a percentage of the 45% of the caps.

Ms. O'Halloran noted that the Multnomah County Chair position is a full time, salaried position while the Metro commissioners are part-time positions. She said it is difficult to apply the percentage based approach equally to both the Mayor and Council because of this.

Referring to the Comparable Analysis chart showing the salary ranges offered by other jurisdictions, Chair Hugo agreed that the suggested salary for the Mayor is well within the 45% cap and is close to the amounts paid by the other jurisdictions used for comparison. The handout was provided at the July 15, 2015 Finance Committee meeting and was attached to those minutes as Attachment F.

Ms. O'Halloran said she thinks citizens that are in the lower wage levels will appreciate that we started at a lower level. She said we may change it through the years, but starting at a lower level recognizes those that make a similar salary.

Chair Hugo said it is difficult to balance. We don't want to over-compensate elected officials, but at the same time we want to attract talent and be able to offer them enough compensation for the time they spend on City business and are away from their family and businesses. He said most people would agree that the Mayor should be compensated at a higher rate than the Councilors.

Ms. O'Halloran said she doesn't think the amount she put on the table for discussion fully compensates the Mayor for his time, but is a starting point.

Ms. Ross agreed that the amount we are compensating the Mayor and Council with isn't what they are actually worth. She said it is important to start at a level that will be well received by everyone.

Mr. Warr-King asked if we would have to come up with a new matrix each year.

Chair Hugo said we wouldn't have to come up with a new matrix each year, but we would have to decide if a CPI adjustment was sufficient and if there were any other factors that need to be taken into consideration. He said we will also have to keep track of the County and Metro position salaries and make sure we are still within the 45% cap.

Chair Hugo asked Ms. Monohon if the County and Metro set their salaries on a calendar or fiscal year.

Ms. Monohon said they are set very differently. The County Commission position changes on a fiscal year. They have a review committee that sets the salary for several years at a time and applies an inflation index to it. The Metro Council positions are tied to the salary of an Oregon circuit court judge. She said that salary amount doesn't appear to have changed in a long period of time.

Mr. West noted that there is a substantial difference between the suggested salary amount we are discussing and the top of the cap for the Mayor's position.

Chair Hugo agreed that the compared to the cap, the numbers we are discussing are quite a bit lower.

Ms. O'Halloran suggested increasing the Mayor's salary up to around \$30,000. She said she believed the citizens want us, at least for this first time around, to not get too ambitious.

Mr. West said the percentage difference between the cap and the proposed salaries are different percentages of the cap. With these figures we are giving the Mayor 30% of what we could give him, but giving the Councilors 50%.

Chair Hugo said he thinks it is a fair starting point and part of the rationale for choosing these numbers could be that the three closest cities to us that use a similar system are all in the neighborhood of the amounts we are discussing. He said that he personally would like to see the Mayor salary a little higher because his job is more difficult. Chair Hugo reminded everyone that we are setting a framework for the next 20 years and we need to look at how the City will attract talent in the future.

Mr. West said he would feel more comfortable giving the same percentage to both positions. He said that would put the Council salary around the \$9,000 range.

Ms. O'Halloran said it is interesting to look at the relationship between the Councilors and Mayor in the other cities, there isn't that big of a gap between them. She said in fairness, the amount of work Councilors do is significant.

Ms. Ross reminded everyone that we want to make sure we are offering an amount that will bring talent to Gresham.

Ms. O'Halloran said that the Committee is caught by the different caps in the measures, especially since the Metro number hasn't seen any real growth.

Chair Hugo added that the Metro number hasn't been updated much, if at all, for about ten years, and that was the reason he thought it was okay to have different ratios between the Mayor and Councilor salaries related to their respective caps.

Mr. West confirmed that he agreed that made sense.

Committee members discussed potential amounts for both the Mayor and Council and some of the responsibilities of each office. They also discussed whether to add an amount for the Council President since the position has more responsibilities.

After discussion, the Committee decided to **offer the Council President an additional \$1,200 per year** to acknowledge the additional responsibilities the position holds. This amount will be on top of the regular Councilor salary.

Chair Hugo asked the Committee if \$30,000 seems like a fair number for the Mayor's salary. He noted that this amount is undervaluing the position and we may not get the talent at \$30,000 we would want to see. He said on the other hand this has always been a volunteer position and we don't want Mayors and Councilors to be in it just for the money.

After some discussion, the Committee members all **agreed that the Mayor's salary would be set at \$30,000 per year.**

Chair Hugo then asked the Committee to set the salary for the City Councilors. After discussion, the Committee members all **agreed that the Councilor salary would be set at \$14,000 per year plus an additional \$1,200 (\$100 per month) for the sitting Council President.**

Chair Hugo reviewed the matrix with the new figures. An updated version will be available at the next meeting. The required taxes, pension, and health care numbers that are presented in Attachment B will be lower based on the Committee's decisions.

The Committee members discussed when to set the effective date of the salary. All Committee members **agreed that July 1, 2015 will be the effective starting date.**

Ms. Monohon reported that the total amount for a full year for the Mayor plus the Council President and five Councilors would be about \$158,170. She said realistically it will be slightly less as the insurance wouldn't be effective for the full fiscal year. She said we budget contingency dollars in the Administrative Services Fund every year, and there is a sufficient amount included to cover this expense for fiscal year 2015/16.

Chair Hugo said we need to decide when to have the public forum. He reminded the Committee members that the decision did not have to be approved by Council, but would be approved by the Finance Committee with the passing of a formal motion. After discussion, it was decided to have a Report to Citizens on the Committee's decisions that would explain the process and provide an opportunity for questions and answers. The Committee members **agreed that the meeting would be held on Wednesday, October 7, 2015 at 7:00 PM at Gresham City Hall in the conference center.**

Chair Hugo suggested that the official vote be taken at the next regularly scheduled Finance Committee meeting, once we've had the public forum. He said we can see the updated matrix and take into consideration any changes suggested by the public.

The Committee members **agreed to formally approve the compensation packages at the October 21, 2015 meeting.** A supplemental budget will also be presented for Finance Committee review at that meeting.

The Committee discussed notifying the Outlook, Oregonian, NextDoor and the neighborhood associations about the meeting. Staff will take care of this.

Chair Hugo said he would work with Ms. Monohon to finalize the matrix and provide it to Committee members prior to the meeting on the 7th.

5. Council Work Plan Project Update

In the interest of time, Ms. Monohon said she had nothing to report.

6. Committee Business

None.

7. Good of the Order

None.

8. Meeting Adjournment

Chair Hugo adjourned the meeting at 9:05 p.m.

The next regular Finance Committee meeting will be October 21, 2015 at 7:00 p.m. in the HR Training Room.

Curt Hugo, Chair

Kris

Leibbrand, Administrative Assistant

Gresham Finance Committee Meeting — September 16, 2015
A Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis
On Setting Compensation Levels for the Mayor and City Councilors

Strengths	Weaknesses
1. The City ballot measures that were approved by citizen vote, has established language of “oversight and control”.	1. Committee members may fail to see that the enactment language of these ballot measures gives the Committee the authority to design an innovative pay plan.
2. The language of these ballot measures empowers and mandates the Committee to set the compensation levels for the Mayor and City Councilors.	2. Due to the wording of the ballot measures, there is a need for a compensation policy and process for effectively implementing compensation “oversight and control”.
3. Voter turnout though small, overwhelming agreed with language of “oversight and control”.	3. Is the term “oversight” understood by this Committee as simply an extension of the Committee’s purpose, goals and objectives as described in the Gresham Revised Code?
4. This type of “oversight” is in accord with the letters and spirit of the authorities provide in the Gresham Revised Code for the Finance Committee.	4. Is the term “control” understood by this Committee that they are making the final decisions on compensation?
	5. Citizen may have little opportunity for input or influence on the compensation plan, before a final decision is rendered by the Committee.
	6. Because of the open-ended language of the ballot measures, citizens may have the perception that Committee members could base their compensation decisions on something other than professional analysis and review.

Gresham Finance Committee Meeting — September 16, 2015
A Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis
On Setting Compensation Levels for the Mayor and City Councilors

Opportunities	Threats
<p>1. The Committee has the opportunity to design a compensation plan that encourages and recognizes the contribution of the Mayor and individual City Councilors in their efforts to resolve policy issues and improve the “quality of life” in Gresham. This plan has the potential of modifying the performance of both the Mayor and the City Councilors to actively work for better alignment of City plans, both short and long range and improved communications with citizens and neighborhood associations.</p>	<p>1. The Gresham Revised Code under the Finance Committee states: <i>“2.40.060 Suspension of Provisions. At the discretion of council, the provisions of GRC 2.40.050 [Meetings] and the relevant operating policies, rules and procedures, may be suspended in whole or in part during the time the Finance Committee is sitting as the citizen component of the Gresham Budget Committee.”</i></p> <p>This Code requirement could be interpreted as giving the City Council the power to overrule the authority of this Committee to make the final decisions on compensation for the Mayor and the City Councilors.</p>
<p>2. The Gresham Revised Code on the Finance Committee is very explicit in its requirements concerning the importance of assuring that the Mayor and City Council strategic and long range planning are in alignment.</p>	<p>2. Without some type of “oversight and control” elements, the final Committee decision on compensation for the Mayor and City Councilors, may be poorly received by many residents.</p>
<p>3. The Committee now has new authority to utilize their compensation design, decisions and implementation for creative thinking outside the box. They can use this authority to get the City of Gresham back on the right track of financial stability and sustainability by incentivizing our elected official’s performance.</p>	<p>3. Any potential that the Committee’s compensation decisions are seen as “business as usual” at City Hall, undermines the Committee’s authority and enables the current City Councilors to continue behaviors of non-engagement and non-representation of local neighborhoods, and citizen community.</p>

Attachment B

COMMITTEE DISCUSSION TO DATE

ITEM	MAYOR	COUNCILOR
SALARY*	\$ amount TBD	\$ amount TBD
*Limited by 45% cap		
PENSION (6% PICKUP)**	set to zero	set to zero
** Must be 0% or 6%		
HEALTH, DENTAL & VISION	clarify: same as part time employee or as 50% of the single amount	clarify: same as part time employee or as 50% of the single amount
ESTIMATED OTHER/MISC	discontinue stipend	discontinue stipend

Maximum Budget Required for Fiscal Year 2015/16

If salaries set to 45% of comparable salaries and all were covered at 50% of full-family health and dental

ITEM	MAYOR	COUNCILOR	MAYOR PLUS SIX COUNCILORS
SALARY*	\$ 67,817	\$ 18,670	\$ 179,837
*Limited by 45% cap			
REQUIRED TAXES (8.352%)	\$ 5,664	\$ 1,559	\$ 15,020
PENSION (CITY SHARE - 3.55%)	\$ 2,408	\$ 663	\$ 6,384
PENSION (6% PICKUP)**	\$ -	\$ -	\$ -
** Must be 0% or 6%			
HEALTH, DENTAL & VISION***	\$ 11,992	\$ 11,992	\$ 83,944
***Depends on level of coverage - none, single only, two-person or full-family			
ESTIMATED OTHER/MISC	\$ -	\$ -	\$ -
ANNUAL TOTAL	\$ 87,881	\$ 32,884	\$ 285,185
MONTHLY TOTAL	\$ 7,323	\$ 2,740	\$ 23,765
OCTOBER - JUNE TOTAL	\$ 65,910	\$ 24,663	\$ 213,889

158,170



MEMORANDUM

TO: Members of the Finance Committee

FROM: Sharron Monohon, Budget & Financial Planning Director

DATE: October 21, 2015

SUBJECT: Supplemental Budget for Fiscal Year 2015/16

Oregon Local Budget Law outlines a process for supplemental budget actions. These actions are allowed within the annual budget process for a variety of purposes, including the establishment of new or increased appropriation authority. The City of Gresham typically adopts one or two supplemental budgets within a fiscal year. This is the first such action proposed for fiscal year 2015/16.

A summary of the proposed supplemental budget information is attached.

The Finance Committee is requested to make a recommendation to Council. On November 17, 2015, the City Council is scheduled to consider a resolution regarding the supplemental budget and related revisions to the City's current year budget appropriations.

Recommended
SUPPLEMENTAL BUDGET
Fiscal Year 2015/16

City of Gresham, OR

Presented to Gresham Finance Committee on October 21, 2015
Public Hearing by Gresham City Council on November 17, 2015

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SUPPLEMENTAL BUDGET OVERVIEW

The following is an explanation of the amounts and justifications for the recommended changes in appropriations for the fiscal year 2015/16 Revised Budget which requires authorization of the City Council. The supplemental budget overview is organized by category, budget adjustment and fund.

It should be noted that this Supplemental Budget, upon adoption, will officially adjust the adopted FTE count from 537.35 to 543.35 FTE, two to reflect the acceptance of the 2015 COPS Hiring Program Grant and four development supported positions in the Building Fund. This supplemental budget also includes appropriation for up to three limited-term positions, two in the Urban Design & Planning Fund and one in the Dedicated Revenue Fund.

RECOGNIZE AND APPROPRIATE BEGINNING BALANCES

1. 2014 Metro Organics Collection Program Grant

A portion of the 2014 Metro Organics Collection Program Grant was not expended during fiscal year 2014/15. A budget adjustment is needed in order to recognize the carryover of funds and to establish the appropriation allowing use of these funds within fiscal year 2015/16. Carryover of funds for the 2014 grant is requested to be used in conjunction with the appropriation of the 2015 grant (see item #10) to employ a limited-term position that will provide management and outreach to enhance the city's organic collection program.

This adjustment carries forward unspent funds from fiscal year 2014/15 to fiscal year 2015/16.

Budgetary Effect

Dedicated Revenue Fund impact:

Resources:

Beginning Balance	\$ 7,400
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Requirements:

Environmental Services	\$ 7,400
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2. Police Computer Replacements

Replacement of computers, including the replacement of specialized computer equipment for patrol cars and police motorcycles, is planned for on a multiyear timeframe within the Equipment Replacement Fund. Some purchases originally slated for fiscal year 2014/15 were delayed and require a new appropriation within the current fiscal year. In addition, in order to maintain consistency between model versions, some purchases originally slated for the upcoming fiscal year have been brought forward into the current year. Without this adjustment other planned purchases within the Equipment Replacement Fund would need to be deferred until the next fiscal year.

This adjustment recognizes existing fund balance and carries forward unspent funds from fiscal 2014/15 to fiscal year 2015/16.

Budgetary Effect

Equipment Replacement Fund impact:

Resources:

Beginning Balance	\$ 104,000
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Requirements:	
Finance & Management Services	\$ 104,000

3. Technology Strategic Plan Projects

The City has adopted a Technology Strategic Plan that outlines a three-year prioritized list of technology related business process improvement projects. Expenses related to the implementation of these projects are primarily budgeted within the Information Technology Fund. The fiscal year-end 2014/15 reconciliation shows that the Information Technology Fund has additional funds in beginning balance for fiscal year 2015/16. This item requests a portion of the funds be recognized and appropriated for use on Technology Strategic Plan projects in fiscal year 2015/16. The additional appropriation will help ensure that projects can be implemented efficiently and effectively without delays related to fiscal year timing constraints.

This adjustment recognizes additional beginning balance and appropriations for the continued, efficient implementation of Technology Strategic Plan projects.

Budgetary Effect

Information Technology Fund impact:

Resources:	
Beginning Balance	\$150,000
Requirements:	
Information Technology Services – Outsourced Services	\$150,000

4. Fire Station Improvements

The year-end reconciliation for fiscal year 2014/15 shows that Fire and Emergency Services in the Facilities and Fleet Management Fund has \$40,000 in beginning balance for fiscal year 2015/16. Appropriation of these funds is requested for the remodel of the locker room at Fire Station 71 and the remodel of bathrooms at Fire Station 74.

This adjustment recognizes beginning balance from unspent funds in fiscal year 2014/15 and will provide the appropriation to complete these projects.

Budgetary Effect

Facilities and Fleet Management Fund impact:

Resources:	
Beginning Balance	\$ 40,000
Requirements:	
Fire and Emergency Services	\$ 40,000

5. Facility Capital Improvements

The year-end reconciliation for fiscal year 2014/15 shows that the Facilities and Fleet Management Fund has additional funds in beginning balance for fiscal year 2015/16. When this occurs, the typical practice has been to transfer some, or all, of that amount to the City Facility Capital Improvement Fund to address capital maintenance

needs at city owned facilities such as city hall, the public safety building, the operations center and the fire stations.

This adjustment recognizes beginning balance from unspent funds in fiscal 2014/15, transfers and appropriates the funds.

Budgetary Effect

Facilities and Fleet Management Fund impact:

Resources:	
Beginning Balance	\$200,000
Requirements:	
Interfund Transfers Out	\$200,000

City Facility Capital Improvement Fund impact:

Resources:	
Interfund Transfers In	\$200,000
Requirements:	
Capital Improvement Projects	\$200,000

RECOGNIZE REVENUE AND APPROPRIATE EXPENSES

6. Section 108 Loan Expenses

The City has been working through the process of establishing Section 108 loans with Open Meadow School and the Boys and Girls Club. As a result of this process, the City Attorney's office will incur expenses for specialized legal services that were unanticipated at the time of the fiscal year 2015/16 budget development. The city will be reimbursed for these expenses by Open Meadow School and the Boys and Girls Club.

This item recognizes the reimbursement and increases appropriation.

Budgetary Effect

Legal Services Fund impact:

Resources:	
Miscellaneous Income	\$ 20,000
Requirements:	
City Attorney's Office	\$ 20,000

7. Oak Street Capital Improvement Project

The City and the Gresham Redevelopment Commission (GRDC) recently approved an Intergovernmental Agreement (IGA) with Open Meadow School (on October 6, 2015). Under the terms of the agreement, Open Meadow School will contribute \$125,000 toward the Oak Street capital improvement project. This supplemental

budget item will recognize and appropriate the revenue in order to complete the full scope of the project. The City and GRDC's portion of the project are already included in the fiscal year 2015/16 budget.

This item recognizes the revenue and increases the appropriation to allow for utilization of that contribution.

Budgetary Effect

City Urban Renewal Capital Improvement Fund impact:

Resources:	
Charges for Services	\$125,000
Requirements:	
Capital Improvement Projects	\$125,000

8. Community Development Building Staff

As a result of development activity and level of service commitments, the building division is experiencing a higher demand for service than originally anticipated for fiscal year 2015/16. The demand for service is impacting plan reviews, building inspections and permit processing functions. This request is to increase appropriations to allow for up to four full-time positions in order to ensure that service delivery goals and economic development objectives can be met in a timely and effective manner. The requested positions would address the specific functions of reviewing proposed construction plans, inspecting construction projects for compliance with applicable building codes and the associated administration function of processing permit submittals and customer service support.

This item recognizes the additional revenue and allows the staffing to be better matched to service delivery needs.

Budgetary Effect

Building Fund impact:

Resources:	
Licenses and Permits	\$150,000
Charges for Services	\$150,000
Requirements:	
Community Development	\$300,000

ACCEPT AND APPROPRIATE GRANTS

9. COPS Hiring Program Grant

The Police Department has been awarded the 2015 COPS Hiring Program Grant which will fund two sworn police officer positions. The grant provides partial funding of the approved entry level salaries and fringe benefits of each newly hired full-time officer over a three-year (36-month) period with a maximum federal share of \$125,000 per position. Grantees are also required to match a portion of the grant with local funds over the grant period. The grant will provide \$87,000 for the first year, \$83,000 for the second year and \$80,000 for the third and final year of the grant for the two officer positions. To aid in grant tracking and management, the additional revenue is brought into the Grants Fund. Expenses, including the grant match from the General Fund, are budgeted within the Designated Purpose Fund.

This item recognizes the additional revenue, transfers the grant match, and appropriates the expenses for the first year of the grant.

Budgetary Effect

General Fund impact:

Requirements:

Contingency	<\$85,000>
Transfers Out	\$85,000

Grants Fund impact:

Resources:

Intergovernmental Revenue	\$87,000
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Requirements:

Transfers Out	\$87,000
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Designated Purpose Fund impact:

Resources:

Transfers In	\$172,000
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Requirements:

Police	\$172,000
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10. 2015 Metro Organics Collection Program Grant

The Department of Environmental Services has been awarded the 2015 Metro Organics Collection Program Grant. This grant will be used in conjunction with the remaining funds from the 2014 grant (see item #1) to employ a limited-term position that will provide outreach to enhance and manage the city's organic collection program.

This item recognizes the additional revenue and, transfers and appropriates the expense.

Budgetary Effect

Grants Fund impact:

Resources:

Intergovernmental Revenue	\$35,000
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Requirements:

Interfund Transfers Out	\$35,000
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Dedicated Revenue Fund impact:

Resources:

Interfund Transfers In	\$35,000
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Requirements:

Environmental Services	\$35,000
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CONTINGENCY TRANSFERS

11. Mayor and Council Compensation

On May 19, 2015, voters approved Ballot Measures 26-166 and 26-167 which state that the Finance Committee shall prepare and approve compensation schedules for the Mayor and Councilors. This supplemental budget item will transfer contingency funds within the Administrative Services Fund to provide the appropriation needed to implement the compensation as determined by the Finance Committee.

This item will transfer contingency funds to allow for Mayor and Council compensation.

NOTE: As of October 15, 2015, this document reflects the adjustment needed to implement the compensation package as presented at the special Finance Committee meeting on October 7, 2015. The adjustment reflects a net amount, after discontinuing the previous stipend, which was included in the adopted budget. This item may be modified if needed in order to reflect the final compensation determination by the Finance Committee, scheduled for October 21, 2015.

Budgetary Effect

Administrative Services Fund impact:

Requirements:

Contingency	<\$135,218>
Office of Governance and Management	\$135,218

12. Urban Design and Planning Staffing

As a result of on-going development activity and preparations for additional development-related opportunities, Urban Design & Planning is experiencing a greater demand for service than originally anticipated for fiscal year 2015/16. This request is to increase appropriations to allow for up to two limited-term positions in order to ensure that service delivery goals and economic development objectives can be met in a timely and effective manner.

This transfers contingency and increases appropriation to allow the staffing to be better matched to service delivery needs.

Budgetary Effect

Urban Design and Planning Fund impact:

Requirements:

Contingency	<\$151,400>
Urban Design and Planning	\$151,400

APPROPRIATION TRANSFER

13. Strategic Property Acquisition Loan Program for Urban Renewal

The Gresham Redevelopment Commission is considering the establishment of a Strategic Property Acquisition Loan Program at their meeting on October 20, 2015. As part of the program establishment, \$400,000 would be moved from the Catalyst Site capital improvement project in the City UR Capital Improvement Fund and would be appropriated within the Urban Renewal Support Fund for use in the new loan program. The loan program will

be used to assist the Rockwood Community Development Corporation to acquire the Sunrise Center on Burnside Street.

This transfers appropriation from the UR Capital Improvement Fund to the UR Support Fund to align with the GRDC goals and objectives.

Budgetary Effect

Urban Renewal Support Fund impact:

Resources:	
Intergovernmental Revenue	\$400,000
Requirements:	
Urban Renewal Department	\$400,000

City Urban Renewal Capital Improvement Fund impact:

Resources:	
Intergovernmental Revenue	<\$400,000>
Requirements:	
Capital Improvement Projects	<\$400,000>